

The risk of corruption at Statistics Poland

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What is corruption?*

We define corruption as the abuse of entrusted power for private gain.

- Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis.
- Exposing corruption and holding the corrupt to account can only happen if we understand the way corruption works and the systems that enable it.

* Source: <https://www.transparency.org/en>

The Basics*

- **Corruption can take many forms, and can include behaviors like:**
 - public servants demanding or taking money or favors in exchange for services,
 - politicians misusing public money or granting public jobs or contracts to their sponsors, friends and families,
 - corporations bribing officials to get lucrative deals.
- **Corruption can happen anywhere:**
 - in business, government, the courts, the media, and in civil society, as well as across all sectors from health and education to infrastructure and sports.
- **Corruption can involve anyone:**
 - politicians, government officials, public servants, business people or members of the public.
- **Corruption happens in the shadows**
 - often with the help of professional enablers such as bankers, lawyers, accountants and real estate agents, opaque financial systems and anonymous shell companies that allow corruption schemes to flourish and the corrupt to launder and hide their illicit wealth.
- **Corruption adapts**
 - to different contexts and changing circumstances. It can evolve in response to changes in rules, legislation and even technology.

*Source: <https://www.transparency.org/en>

Corruption Risk Assessment Team - goals

As a result of recommendations from an internal audit, the **Corruption Risk Assessment Team** was established at Statistics Poland (GUS) in order to:

- identify areas of corruption risk at Statistics Poland;
- propose specific wording for corruption risks and countermeasures;
- forward identified risks to the Risk Management Team in order to include them in the risk management methodology as a part of the Risk Management Policy.

Corruption Risk Assessment Team

- organisational aspect

- The Team consisted of representatives of most organizational units at Statistics Poland. The Team also included employees involved in public procurement procedures, the risk coordinator at Statistics Poland and internal auditors.
- During the work, the Team established cooperation with the CBA (the Polish Central Anticorruption Bureau), which resulted in workshops and consultations organized for team members with experts from the CBA.
- The team's work included an analysis of the potential occurrence of corruption at Statistics Poland and possible measures to prevent it. The analysis used documents prepared for public administration units by the Polish Central Anticorruption Bureau, i.e.:
 - "Guidelines on uniform organizational and legal solutions for counteracting corruption in administration"
 - "Guidelines for creating and implementing effective compliance programs in the public sector".

Corruption Risk Assessment Team

- selected areas

It was established that **there is a possibility of corruption** in **every area of public statistics activity** (active and passive), however, the following 3 areas were selected for detailed analysis within the Team's work as the most at risk of corruption:

**Statistical works
including data
dissemination,
giving opinions**

**Spending
financial means
including public
procurement**

**Staff
recruitment,
training and
business trips**

Examples of corrupt activities that may appear in public statistics and are related to the activities of the Office

- disclosing data without following the procedures (before the official publication date violation of embargo and the 3R principle – equal, equivalent, simultaneous access to data),
- pressuring an order to be fulfilled out of settled sequence,
- manipulating data, displaying information that is in line with the orders of external entities and is beneficial to them (deliberately providing false data-fake news, lack of independence), e.g. business intelligence,

Examples of corruption activities in the area of public procurement

- deliberate action by persons preparing the OPZ (description of the object of contract), conditions of participation and other conditions of the procedure aimed at awarding the contract to a selected favored entity in order to obtain benefits,
- lack of procedures and a communication channel for reporting incorrect actions observed in the area of public procurement activities,
- unethical behavior of members of the Procurement Commission and other persons involved in the procurement procedure (providing information on the course of the procedure, disclosing information constituting a business secret),
- receipt of the object of the contract in a manner which is beneficial to the contractor,

Examples of corruption activities in the area of public procurement

- unauthorized request to resign the application of public procurement regulations,
- preparation of an annex to a previously signed contract leading to a change in the balance of the parties, which is beneficial to the entity selected in the proceedings,
- the Ordering Party's dependence on a single contractor (so-called vendoring – a lack of keys and codes for licenses and systems),
- hindering or thwarting the tender through such actions of persons involved in the preparation and conduct of the public procurement procedure, which may lead to delays or invalidation of the public procurement procedure.

Other examples of corruption activities

- an invitation to an expensive training (free of charge) or a conference in an attractive location in order to obtain preferential treatment, e.g. a company that plans to sell its services/goods to Statistics Poland (e.g. as part of a public procurement contract),
- giving favorable opinions and decisions for receiving benefits (i.e. activity classification interpretation),
- deliberate actions of members of the Staff Recruitment Committee aimed at selecting a favored candidate in the recruitment process.

Other issues ...

- Other related issues resulting from the organizational culture and professional ethos were also discussed, i.e. actions that if they have a context of self-interest, may be unethical, e.g.:
 - politeness or seeking privileges in contacts with a superior, e.g. offering help in private matters in exchange for professional privileges,
 - selection for projects/grants based on good familiarity with their leaders,
 - under-reporting income when declaring social benefits.

Recommendations

- The result of the Team's work is a list of examples of risks that may occur at Statistics Poland, taking into account the specific nature of public statistics activities.
- The list contains a description of the procedures and activities currently in force at GUS, as well as recommendations for the introduction of additional activities.
- In addition to proposals to introduce additional procedures and formal actions in selected areas that may prevent future corruption activities, the Team recommended primarily preventive actions aimed at raising anti-corruption awareness in the Office.

Recommendations for the area of statistical works, including data dissemination

- Updating the regulation of the Civil Service Director of Statistics Poland regarding the Anti-Corruption Procedure at Statistics Poland (the current regulation has been taken in force since 2013)
- Regular anti-corruption and ethics training for all public statistics employees and, if necessary, also for trainees (not only new employees).
- Periodic refresher training on data dissemination procedures
- Updating training on information security with an emphasis on procedures for accessing individual micro data
- Establishing a path for accepting data under embargo to limit the list of people who have access to the information before it is made public

Recommendations for the area of statistical works, including data dissemination

- Displaying signs with the principles of the civil service (if possible, hang them, e.g. in the secretariats of office and not in the corridor where they are invisible).
- Providing wages and salaries adequate to the employee's responsibility, which will make receiving benefits unprofitable (the assessment of the level of remuneration and the scale of benefits may be very subjective).
- Procedure for controlling the method of transmitting statistical data,
- Procedure for checking the transmission of correct statistical data (checking whether the data has not been changed or distorted)

Recommendations for the public procurement area

- Creating a detailed list of persons who may have an influence on the public procurement procedure in order to submit a declaration of transparency.
- Introduction of a mandatory market research mechanism at the stage of creating the description of procurement, using the rule of indicating 3 contractors/producers who can simultaneously meet the entire description of procurement and the conditions for participation in the procedure.
- Increasing awareness of persons participating in the proceedings or who may influence their course - mandatory training.
- Delegating to the Tender Committee only persons with the basic necessary knowledge in the field of public procurement procedures.

Recommendations for the public procurement area

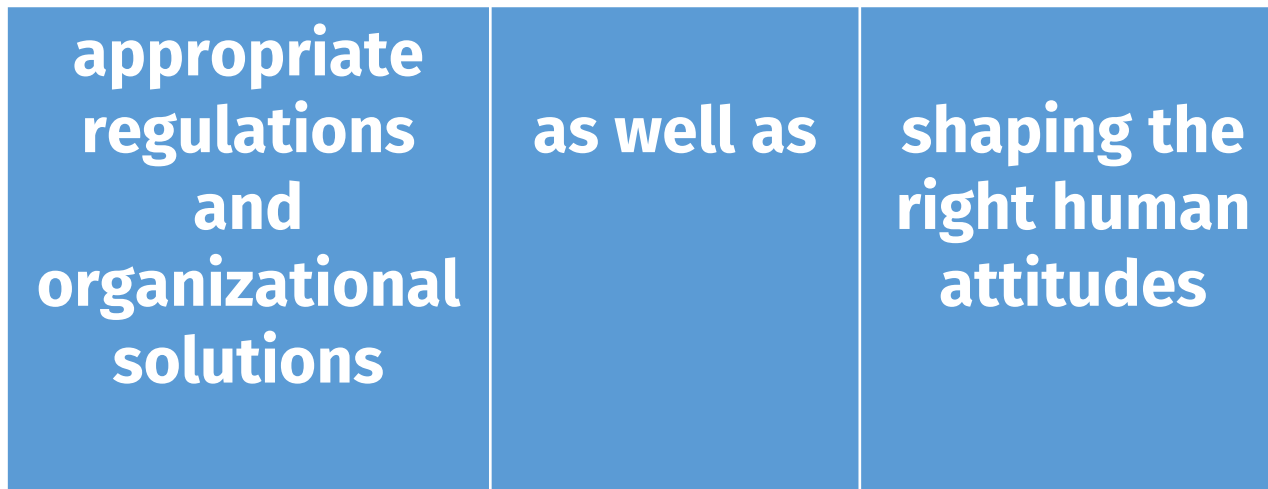
- Introducing mechanisms to secure the establishment of relationships between contract coordinators and the Contractor
- Regular training in the field of Public Procurement Law and threats in this area (manipulation methods, establishing permanent relationships ("softening" by the interested party).
- Providing wages and salaries adequate to the employee's responsibility which will make receiving benefits unprofitable (the assessment of the level of remuneration and the scale of benefits may be very subjective).
- Increased supervision over contract implementation as well as acceptance procedures.

Training, business trips, conferences...

- The current control measures are sufficient. Each application for an external training/conference is subject to multi-stage verification/acceptance
- There is no way to control what relationships an employee enters into during training/conference and whether these relationships will not lead to corrupt actions by the employee in the future

Recommendations

- In the case of corruption, effective prevention requires combining these key elements, i.e.:



Recommendations

As one of the basic measures to prevent corruption, the Team recommended cyclical and systematic training in the following areas:

- promoting, among others, the principles of the European Code of Statistics Practice and the principles of the civil service,
- regular workshops and training aimed at raising employee awareness in areas such as:
 - culture of honesty in the office (concepts such as: public/state, common good, etc.),
 - public service mission and professional ethos,
 - the role and specificity of GUS in relation to activities for the benefit of citizens.

Thank you!

More information: stat.gov.pl

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